

Michael Isper
Montpelier Electric Generating Station
P.O. Box 555
Dayton, Ohio 45401-0555

Re: 179-15577-00026
First Minor Permit Revision to
MSOP No.: 179-12321-00026

Dear Mr. Isper:

Montpelier Electric Generating Station was issued a Minor Source Operating Permit on December 29, 2000. A letter requesting changes to this permit was received on February 7, 2002. Pursuant to the provisions of 326 IAC 2-6.1-6(g)(5) a minor permit revision to this permit is hereby approved as described in the attached Technical Support Document.

Pursuant to 326 IAC 2-6.1-6(g)(5), this permit shall be revised by incorporating the minor permit revision into the permit. All other conditions of the permit shall remain unchanged and in effect. Please find enclosed the entire revised Minor Source Operating Permit.

This decision is subject to the Indiana Administrative Orders and Procedures Act - IC 4-21.5-3-5. If you have any questions on this matter, please contact Nishat Hydari, c/o OAQ, 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana, 46206-6015, or call 973-575-2555 (ext. 3216) or 1-800-451-6027 press 0 and ask for extension 3-6878.

Sincerely,

Paul Dubenetzky, Chief
Permits Branch
Office of Air Quality

Attachments
NH/EVP

cc: File - Wells County
U.S. EPA, Region V
Wells County Health Department
Air Compliance Section Inspector - Ryan Hillman
Compliance Data Section - Jerri Curless
Administrative and Development - Janet Mobley
Technical Support and Modeling - Michelle Boner

**NEW SOURCE CONSTRUCTION PERMIT
and MINOR SOURCE OPERATING PERMIT
OFFICE OF AIR MANAGEMENT**

**Montpelier Electric Generating Station
8265 South 450 West
Poneto, Indiana 46781**

(herein known as the Permittee) is hereby authorized to construct and operate subject to the conditions contained herein, the emission units described in Section A (Source Summary) of this permit.

This permit is issued to the above mentioned company under the provisions of 326 IAC 2-1.1, 326 IAC 2-5.1, 326 IAC 2-6.1 and 40 CFR 52.780, with conditions listed on the attached pages.

Operation Permit No.: MSOP 179-12321-00026	
Issued by: Paul Dubenetzky, Branch Chief Office of Air Management	Issuance Date: December 29, 2000 Expiration Date: December 29, 2005
First Minor Permit Revision: 179-15577-00026	Page Affected: 18

Issued by: Paul Dubenetzky, Branch Chief Office of Air Management	Issuance Date:
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SECTION A SOURCE SUMMARY

This permit is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Management (OAM). The information describing the source contained in conditions A.1 through A.3 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this permit pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

A.1 General Information [326 IAC 2-5.1-3(c)] [326 IAC 2-6.1-4(a)]

The Permittee owns and operates an electric generating station.

Authorized Individual: Kirk N. Guy
Source Address: 8265 South 450 West, Poneto, Indiana 46781
Mailing Address: 8150 Washington Village Drive, Centerville, Ohio 45458
Phone Number: (937) 331-3142
SIC Code: 4911
County Location: Wells
County Status: Attainment for all criteria pollutants
Source Status: Minor Source, under PSD or Emission Offset Rules;
Minor Source, Section 112 of the Clean Air Act

A.2 Emissions units and Pollution Control Equipment Summary

This stationary source is approved to construct and operate the following emissions units and pollution control devices:

- (a) Eight (8) Twin Pac combustion turbine generator units, consisting of sixteen (16) simple cycle turbines and eight (8) generators, which each generator is directly connected to two (2) combustion turbines. The generators are designated as units G1 through G8, and the two (2) combustion turbines, which are directly connected to each generator, are designated as CT1 and CT2. The sixteen (16) combustion turbines have an anticipated maximum heat input capacity of 270.9 MMBTU/hr (Lower Heating Value, LHV) per turbine unit, a maximum nominal output of 25 MW per turbine, with water-injection for NO_x emissions control, and exhaust to sixteen (16) stacks designated as G1CT1S1 through G8CT2S2.
- (b) Natural gas-fired space heating equipment, with a maximum heat input capacity of 0.1 MMBtu/hr and exhaust to the atmosphere.
- (c) One (1) diesel-fired emergency fire pump, with a maximum heat input capacity of 1.0 MMBtu/hr and exhausts to the atmosphere.
- (d) One (1) fuel oil storage tank, with a maximum storage capacity of 400,000 gallons, a maximum volume of 55,418 ft³ and vents to the atmosphere.

A.3 Part 70 Permit Applicability [326 IAC 2-7-2]

This stationary source will be required to have a Part 70 permit by 326 IAC 2-7-2 (Applicability) because:

- (a) It is a major source, as defined in 326 IAC 2-7-1(22).
- (b) This new source shall apply for a Part 70 (Title V) operating permit within twelve (12) months after this source becomes subject to Title V.

A.4 Acid Rain Permit Applicability [40 CFR Part 72.30]

This stationary source shall be required to have a Phase II, Acid Rain permit by 40 CFR Part 72.30 (Applicability) because:

- (a) The combustion turbines are new units under 40 CR Part 72.6.

- (b) The source cannot operate the combustion units until their Phase II, Acid Rain permit has been issued.

SECTION B GENERAL CONSTRUCTION CONDITIONS

THIS SECTION OF THE PERMIT IS BEING ISSUED UNDER THE PROVISIONS OF 326 IAC 2-1.1 AND 40 CFR 52.780, WITH CONDITIONS LISTED BELOW.

B.1 Permit No Defense [IC 13]

This permit to construct does not relieve the Permittee of the responsibility to comply with the provisions of the Indiana Environmental Management Law (IC 13-11 through 13-20; 13-22 through 13-25; and 13-30), the Air Pollution Control Law (IC 13-17) and the rules promulgated thereunder, as well as other applicable local, state, and federal requirements.

B.2 Definitions

Terms in this permit shall have the definition assigned to such terms in the referenced regulation. In the absence of definitions in the referenced regulation, any applicable definitions found in IC 13-11, 326 IAC 1-2, and 326 IAC 2-1.1-1 shall prevail.

B.3 Effective Date of the Permit [IC13-15-5-3]

Pursuant to IC 13-15-5-3, this permit becomes effective upon its issuance.

B.4 Revocation of Permits [326 IAC 2-1.1-9(5)]

Pursuant to 326 IAC 2-1.1-9(5)(Revocation of Permits), this permit to construct and operate may be revoked for any of the following causes:

- (a) Violation of any conditions of this permit.
- (b) Failure to disclose all the relevant facts, or misrepresentation in obtaining this permit.
- (c) Changes in regulatory requirements that mandate either a temporary or permanent reduction of discharge of contaminants. However, the amendment of appropriate sections of this permit shall not require revocation of this permit.
- (d) Noncompliance with orders issued pursuant to 326 IAC 1-5 (Episode Alert Levels) to reduce emissions during an air pollution episode.
- (e) For any cause which establishes in the judgment of IDEM, the fact that continuance of this permit is not consistent with purposes of this article. If construction is not commenced within eighteen (18) months after receipt of this approval or if construction is suspended for a continuous period of one (1) year or more.

B.5 Modification to Permit [326 IAC 2]

Notwithstanding the Section B condition entitled "Minor Source Operating Permit", all requirements and conditions of this construction permit shall remain in effect unless modified in a manner consistent with procedures established for modifications of construction permits pursuant to 326 IAC 2 (Permit Review Rules).

B.6 Minor Source Operating Permit [326 IAC 2-6.1]

This document shall also become a minor source operating permit pursuant to 326 IAC 2-6.1 when, prior to start of operation, the following requirements are met:

- (a) The attached Affidavit of Construction shall be submitted to the Office of Air Management (OAM), Permit Administration & Development Section.
 - (1) If the Affidavit of Construction verifies that the facilities covered in this Construction

Permit were constructed as proposed in the application, then the facilities may begin operating on the date the Affidavit of Construction is postmarked or hand delivered to IDEM.

- (2) If the Affidavit of Construction does not verify that the facilities covered in this Construction Permit were constructed as proposed in the application, then the Permittee shall receive an Operation Permit Validation Letter from the Chief of the Permit Administration & Development Section prior to beginning operation of the facilities.
- (b) If construction is completed in phases; i.e., the entire construction is not done continuously, a separate affidavit must be submitted for each phase of construction. Any permit conditions associated with operation start up dates such as stack testing for New Source Performance Standards (NSPS) shall be applicable to each individual phase.
- (c) Upon receipt of the Operation Permit Validation Letter from the Chief of the Permit Administration & Development Section, the Permittee shall attach it to this document.
- (d) The operation permit will be subject to annual operating permit fees pursuant to 326 IAC 2-7-19 (Fees).
- (e) Pursuant to 326 IAC 2-7-4(a)(1)(A)(ii) and 326 IAC 2-5.1-4, the Permittee shall apply for a Title V operating permit within twelve (12) months of the date on which the source first meets an applicability criterion of 326 IAC 2-7-2.

B.7 NSPS Reporting Requirement

Pursuant to the New Source Performance Standards (NSPS), Part 60.7, Any owner or operator shall furnish the Administrator and IDEM written notification or, if acceptable to both the Administrator and the owner or operator of a source, electronic notification, as follows:

- (a) Commencement of construction date (no later than 30 days after such date);
- (b) Actual start-up date (within 15 days after such date); and
- (c) Date of performance testing (at least 30 days prior to such date), when required by a condition elsewhere in this permit.

Reports are to be sent to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Management
100 North Senate Avenue, P. O. Box 6015
Indianapolis, IN 46206-6015

The application and enforcement of these standards have been delegated to the IDEM-OAM. The requirements of 40 CFR Part 60 are also federally enforceable.

SECTION C SOURCE OPERATION CONDITIONS

Entire Source

C.1 PSD Minor Source Status [326 IAC 2-2] [40 CFR 52.21]

- (a) The potential to emit of nitrogen oxides (NO_x), carbon monoxide (CO), Particulate Matter (PM), Particulate Matter Less than 10 Microns (PM₁₀), Sulfur Dioxide (SO₂) and Volatile Organic Compounds (VOC) for the facilities listed in this construction permit, are greater than 250 tons per year. The potential to emit, of the above listed pollutants, is limited to less than 250 tons per year, therefore the requirements of 326 IAC 2-2 (Prevention of Significant Deterioration) and 40 CFR 52.21 do not apply.
- (b) Any change or modification which may increase potential to emit to 250 tons per year from this source, shall cause this source to be considered a major source under PSD, 326 IAC 2-2 and 40 CFR 52.21, and shall require approval from IDEM, OAM prior to making the change.

C.2 Preventive Maintenance Plan [326 IAC 1-6-3]

- (a) If required by specific condition(s) in Section D of this permit, the Permittee shall prepare and maintain Preventive Maintenance Plans (PMP) after commencement of operation, including the following information on each emissions unit:
 - (1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;
 - (2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions;
 - (3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.
- (b) The Permittee shall implement the Preventive Maintenance Plans as necessary to ensure that failure to implement the Preventive Maintenance Plan does not cause or contribute to a violation of any limitation on emissions or potential to emit.
- (c) PMP's shall be submitted to IDEM, OAM, upon request and shall be subject to review and approval by IDEM, OAM. IDEM, OAM may require the Permittee to revise its Preventive Maintenance Plan whenever lack of proper maintenance causes or contributes to any violation.

C.3 Permit Revision [326 IAC 2-5.1-3(e)(3)] [326 IAC 2-6.1-6]

- (a) The Permittee must comply with the requirements of 326 IAC 2-6.1-6 whenever the Permittee seeks to amend or modify this permit.
- (b) Any application requesting an amendment or modification of this permit shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

Any such application should be certified by the "authorized individual" as defined by 326 IAC 2-1.1-1.

- (c) The Permittee shall notify the OAM within thirty (30) calendar days of implementing a notice-only change. [326 IAC 2-6.1-6(d)]

C.4 Source Modification [326 IAC 2-7-10.5]

- (a) The Permittee must comply with the requirements of 326 IAC 2-7-10.5 whenever the Permittee seeks to construct new emissions units, modify existing emissions units, or otherwise modify the source.
- (b) Any application requesting an amendment or modification of this permit shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

Any such application should be certified by the "responsible official" as defined by 326 IAC 2-7-1(34) only if a certification is required by the terms of the applicable rule.

C.5 Inspection and Entry [326 IAC 2-5.1-3(e)(4)(B)] [326 IAC 2-6.1-5(a)(4)]

Upon presentation of proper identification cards, credentials, and other documents as may be required by law, and subject to the Permittee's right under all applicable laws and regulations to assert that the information collected by the agency is confidential and entitled to be treated as such, the Permittee shall allow IDEM, OAM, U.S. EPA, or an authorized representative to perform the following:

- (a) Enter upon the Permittee's premises where a permitted source is located, or emissions related activity is conducted, or where records must be kept under the conditions of this permit;
- (b) Have access to and copy, at reasonable times, any records that must be kept under this title or the conditions of this permit or any operating permit revisions;
- (c) Inspect, at reasonable times, any processes, emissions units (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit or any operating permit revisions;
- (d) Sample or monitor, at reasonable times, substances or parameters for the purpose of assuring compliance with this permit or applicable requirements; and
- (e) Utilize any photographic, recording, testing, monitoring, or other equipment for the purpose of assuring compliance with this permit or applicable requirements.

C.6 Transfer of Ownership or Operation [326 IAC 2-6.1-6(d)(3)]

Pursuant to [326 IAC 2-6.1-6(d)(3)] :

- (a) In the event that ownership of this source is changed, the Permittee shall notify IDEM, OAM, Permits Branch, within thirty (30) days of the change.

- (b) The written notification shall be sufficient to transfer the permit to the new owner by an notice-only change pursuant to 326 IAC 2-6.1-6(d)(3).
- (c) IDEM, OAM shall issue a revised permit.

The notification which shall be submitted by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1.

C.7 Opacity [326 IAC 5-1]

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), opacity shall meet the following, unless otherwise stated in this permit:

- (a) Opacity shall not exceed an average of forty percent (40%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.
- (b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

C.8 Fugitive Dust Emissions [326 IAC 6-4]

The Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions). 326 IAC 6-4-2(4) is not federally enforceable.

C.9 Fugitive Particulate Matter Emission Limitations [326 IAC 6-5]

Pursuant to 326 IAC 6-5 (Fugitive Particulate Matter Emissions Limitations), fugitive particulate matter emissions shall be controlled according to the plan submitted on February 16, 2000.

- (a) This plan consists of wet suppression of dust from roads on an as needed basis.

C.10 Stack Height [326 IAC 1-7]

The Permittee shall comply with the applicable provisions of 326 IAC 1-7 (Stack Height Provisions), for all exhaust stacks through which a potential (before controls) of twenty-five (25) tons per year or more of particulate matter or sulfur dioxide is emitted by using good engineering practices (GEP) pursuant to 326 IAC 1-7-3.

Testing Requirements

C.11 Performance Testing [326 IAC 3-6]

- (a) Compliance testing on new emissions units shall be conducted within 60 days after achieving maximum production rate, but no later than 180 days after initial start-up, if specified in Section D of this approval. All testing shall be performed according to the provisions of 326 IAC 3-6 (Source Sampling Procedures), except as provided elsewhere in this permit, utilizing any applicable procedures and analysis methods specified in 40 CFR 51, 40 CFR 60, 40 CFR 61, 40 CFR 63, 40 CFR 75, or other procedures approved by IDEM, OAM.

A test protocol, except as provided elsewhere in this permit, shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Management

100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

no later than thirty-five (35) days prior to the intended test date. The Permittee shall submit a notice of the actual test date to the above address so that it is received at least two weeks prior to the test date.

- (b) All test reports must be received by IDEM, OAM within forty-five (45) days after the completion of the testing. An extension may be granted by the IDEM, OAM, if the source submits to IDEM, OAM, a reasonable written explanation within five (5) days prior to the end of the initial forty-five (45) day period.

The documentation submitted by the Permittee does not require certification by the "authorized individual" as defined by 326 IAC 2-1.1-1.

Compliance Monitoring Requirements

C.12 Compliance Monitoring [326 IAC 2-1.1-11]

Compliance with applicable requirements shall be documented as required by this permit. The Permittee shall be responsible for installing any necessary equipment and initiating any required monitoring related to that equipment. All monitoring and record keeping requirements not already legally required shall be implemented when operation begins.

C.13 Maintenance of Monitoring Equipment [IC 13-14-1-13]

- (a) In the event that a breakdown of the monitoring equipment occurs, a record shall be made of the times and reasons of the breakdown and efforts made to correct the problem. To the extent practicable, supplemental or intermittent monitoring of the parameter should be implemented at intervals no less frequent than required in Section D of this permit until such time as the monitoring equipment is back in operation. In the case of continuous monitoring, supplemental or intermittent monitoring of the parameter should be implemented at intervals no less than one (1) hour until such time as the continuous monitor is back in operation.
- (b) The Permittee shall install, calibrate, quality assure, maintain, and operate all necessary monitors and related equipment. In addition, prompt corrective action shall be initiated whenever indicated.

C.14 Monitoring Methods [326 IAC 3]

Any monitoring or testing required by Section D of this permit shall be performed according to the provisions of 326 IAC 3, 40 CFR 60, Appendix A, or other approved methods as specified in this permit.

C.15 Malfunction Emission Reduction Program [326 IAC 1-6]

- (a) The Permittee is required to submit a malfunction emission rate reduction program within one-hundred eighty (180) days after the commencement of operation. The program shall include, but not limited to, the normal operating emission rate and the program proposed to reduce emissions in the event of a malfunction to an emission rate that will not contribute to the cause of the violation of the ambient air quality standards established in 326 IAC 1-3. The program shall be based on the best estimates of type and number of startups,

shutdowns, and malfunctions experienced during normal operation of the facility or emission control device and the scope and duration of such conditions. This program may be subject to review and approval by the Commissioner.

- (b) For each compliance monitoring condition of this permit, appropriate response steps shall be taken when indicated by the provisions of that compliance monitoring condition. Failure to perform the actions detailed in the compliance monitoring conditions or failure to take the response steps within the time prescribed in the Malfunction Emission Reduction Program, shall constitute a violation of the permit unless taking the response steps set forth in the Malfunction Emission Reduction Program would be unreasonable.
- (c) After investigating the reason for the excursion, the Permittee is excused from taking further response steps for any of the following reasons:
 - (1) The monitoring equipment malfunctioned, giving a false reading. This shall be an excuse from taking further response steps providing that prompt action was taken to correct the monitoring equipment.
 - (2) The Permittee has determined that the compliance monitoring parameters established in the permit conditions are technically inappropriate, has previously submitted a request for an administrative amendment to the permit, and such request has not been denied or;
 - (3) An automatic measurement was taken when the process was not operating; or
 - (4) The process has already returned to operating within "normal" parameters and no response steps are required.
- (d) Records shall be kept of all instances in which the compliance related information was not met and of all response steps taken.

C.16 Actions Related to Noncompliance Demonstrated by a Stack Test

- (a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall take appropriate corrective actions. The Permittee shall submit a description of these corrective actions to IDEM, OAM, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize emissions from the affected emissions unit while the corrective actions are being implemented. IDEM, OAM shall notify the Permittee within thirty (30) days, if the corrective actions taken are deficient. The Permittee shall submit a description of additional corrective actions taken to IDEM, OAM within thirty (30) days of receipt of the notice of deficiency. IDEM, OAM reserves the authority to use enforcement activities to resolve noncompliant stack tests.
- (b) A retest to demonstrate compliance shall be performed within one hundred twenty (120) days of receipt of the original test results. Should the Permittee demonstrate to IDEM, OAM that retesting in one-hundred and twenty (120) days is not practicable, IDEM, OAM may extend the retesting deadline. Failure of the second test to demonstrate compliance with the appropriate permit conditions may be grounds for immediate revocation of the permit to operate the affected emissions unit.

The documents submitted pursuant to this condition do not require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1.

Record Keeping and Reporting Requirements

C.17 Malfunctions Report [326 IAC 1-6-2]

Pursuant to 326 IAC 1-6-2 (Records; Notice of Malfunction):

- (a) A record of all malfunctions, including startups or shutdowns of any facility or emission control equipment, which result in violations of applicable air pollution control regulations or applicable emission limitations shall be kept and retained for a period of three (3) years and shall be made available to the Indiana Department of Environmental Management (IDEM), Office of Air Management (OAM) or appointed representative upon request.
- (b) When a malfunction of any facility or emission control equipment occurs which lasts more than one (1) hour, said condition shall be reported to OAM, using the Malfunction Report Forms (2 pages). Notification shall be made by telephone or facsimile, as soon as practicable, but in no event later than four (4) daytime business hours after the beginning of said occurrence.
- (c) Failure to report a malfunction of any emission control equipment shall constitute a violation of 326 IAC 1-6, and any other applicable rules. Information of the scope and expected duration of the malfunction shall be provided, including the items specified in 326 IAC 1-6-2(a)(1) through (6).
- (d) Malfunction is defined as any sudden, unavoidable failure of any air pollution control equipment, process, or combustion or process equipment to operate in a normal and usual manner. [326 IAC 1-2-39]

C.18 Annual Emission Statement [326 IAC 2-6]

- (a) The Permittee shall submit an annual emission statement certified pursuant to the requirements of 326 IAC 2-6, that must be received by July 1 of each year and must comply with the minimum requirements specified in 326 IAC 2-6-4. The annual emission statement shall meet the following requirements:
 - (1) Indicate actual emissions of criteria pollutants from the source, in compliance with 326 IAC 2-6 (Emission Reporting);
 - (2) Indicate actual emissions of other regulated pollutants from the source, for purposes of Part 70 fee assessment.
- (b) The annual emission statement covers the twelve (12) consecutive month time period starting January 1 and ending December 31. The annual emission statement must be submitted to:

Indiana Department of Environmental Management
Technical Support and Modeling Section, Office of Air Management
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015
- (c) The annual emission statement required by this permit shall be considered timely if the

date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAM, on or before the date it is due.

The submittal by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1.

C.19 Monitoring Data Availability [326 IAC 2-6.1-2] [IC 13-14-1-13]

- (a) With the exception of performance tests conducted in accordance with Section C-Performance Testing, all observations, sampling, maintenance procedures, and record keeping, required as a condition of this permit shall be performed at all times the equipment is operating at normal representative conditions.
- (b) As an alternative to the observations, sampling, maintenance procedures, and record keeping of subsection (a) above, when the equipment listed in Section D of this permit is not operating, the Permittee shall either record the fact that the equipment is shut down or perform the observations, sampling, maintenance procedures, and record keeping that would otherwise be required by this permit.
- (c) If the equipment is operating but abnormal conditions prevail, additional observations and sampling should be taken with a record made of the nature of the abnormality.
- (d) If for reasons beyond its control, the operator fails to make required observations, sampling, maintenance procedures, or record keeping, reasons for this must be recorded.
- (e) At its discretion, IDEM may excuse such failure providing adequate justification is documented and such failures do not exceed five percent (5%) of the operating time in any quarter.
- (f) Temporary, unscheduled unavailability of staff qualified to perform the required observations, sampling, maintenance procedures, or record keeping shall be considered a valid reason for failure to perform the requirements stated in (a) above.

C.20 General Record Keeping Requirements [326 IAC 2-6.1-2]

- (a) Records of all required monitoring data and support information shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. These records shall be kept at the source location, or at an accessible location such that the records could be made available within one (1) hour upon request, and provided that OAM is notified in writing prior, for a minimum of three (3) years and available upon the request of an IDEM, OAM representative. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner makes a written request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.
- (b) Records of required monitoring information shall include, where applicable:
 - (1) The date, place, and time of sampling or measurements;

- (2) The dates analyses were performed;
 - (3) The company or entity performing the analyses;
 - (4) The analytic techniques or methods used;
 - (5) The results of such analyses; and
 - (6) The operating conditions existing at the time of sampling or measurement.
- (c) Support information shall include, where applicable:
- (1) Copies of all reports required by this permit;
 - (2) All original strip chart recordings for continuous monitoring instrumentation;
 - (3) All calibration and maintenance records;
 - (4) Records of preventive maintenance shall be sufficient to demonstrate that failure to implement the Preventive Maintenance Plan did not cause or contribute to a violation of any limitation on emissions or potential to emit. To be relied upon subsequent to any such violation, these records may include, but are not limited to: work orders, parts inventories, and operator's standard operating procedures. Records of response steps taken shall indicate whether the response steps were performed in accordance with the Malfunction Emission Reduction Program required by Section C - Malfunction Emission Reduction Program, of this permit, and whether a deviation from a permit condition was reported. All records shall briefly describe what maintenance and response steps were taken and indicate who performed the tasks.
- (d) All record keeping requirements not already legally required shall be implemented when operation begins.

C.21 General Reporting Requirements [326 IAC 2-1.1-11] [326 IAC 2-6.1-2] [IC 13-14-1-13]

- (a) To affirm that the source has met all the compliance monitoring requirements stated in this permit the source shall submit a Quarterly Compliance Monitoring Report. Any deviation from the requirements and the date(s) of each deviation must be reported. The Compliance Monitoring Report shall include the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).
- (b) The report required in (a) of this condition and reports required by conditions in Section D of this permit shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Management
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015
- (c) Unless otherwise specified in this permit, any notice, report, or other submission required by this permit shall be considered timely if the date postmarked on the envelope or certified

mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAM, on or before the date it is due.

- (d) Unless otherwise specified in this permit, any quarterly report shall be submitted within thirty (30) days of the end of the reporting period. The reports do not require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).
- (e) All instances of deviations must be clearly identified in such reports. A reportable deviation is an exceedance of a permit limitation or a failure to comply with a requirement of the permit or a rule. It does not include:
 - (1) An excursion from compliance monitoring parameters as identified in Section D of this permit unless tied to an applicable rule or limit; or
 - (2) A malfunction as described in 326 IAC 1-6-2; or
 - (3) Failure to implement elements of the Preventive Maintenance Plan unless lack of maintenance has caused or contributed to a deviation.
 - (4) Failure to make or record information required by the compliance monitoring provisions of Section D unless such failure exceeds 5% of the required data in any calendar quarter.

A Permittee's failure to take the appropriate response step when an excursion of a compliance monitoring parameter has occurred or failure to monitor or record the required compliance monitoring is a deviation.

- (f) Any corrective actions or response steps taken as a result of each deviation must be clearly identified in such reports.
- (g) The first report shall cover the period commencing on the date of operation and ending on the last day of the reporting period.

C.22 Annual Notification [326 IAC 2-6.1-5(a)(5)]

- (a) Annual notification shall be submitted to the Office of Air Management stating whether or not the source is in operation and in compliance with the terms and conditions contained in this permit.
- (b) Noncompliance with any condition must be specifically identified. If there are any permit conditions or requirements for which the source is not in compliance at any time during the year, the Permittee must provide a narrative description of how the source did or will achieve compliance and the date compliance was, or will be, achieved. The notification must be signed by an authorized individual.
- (c) The annual notice shall cover the time period from January 1 to December 31 of the previous year, and shall be submitted in the format attached no later than March 1 of each year to:

Compliance Data Section, Office of Air Management

Indiana Department of Environmental Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, IN 46206-6015

- (d) The notification shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAM, on or before the date it is due.

SECTION D.1 EMISSIONS UNIT OPERATION CONDITIONS

- (a) Eight (8) Twin Pac combustion turbine generator units, consisting of sixteen (16) simple cycle turbines and eight (8) generators, which each generator is directly connected to two (2) combustion turbines. The generators are designated as units G1 through G8, and the two (2) combustion turbines, which are directly connected to each generator, are designated as CT1 and CT2. The sixteen (16) combustion turbines have an anticipated maximum heat input capacity of 270.9 MMBTU/hr (Lower Heating Value, LHV) per turbine unit, a maximum nominal output of 25 MW per turbine, with water-injection for NO_x emissions control, and exhaust to sixteen (16) stacks designated as G1CT1S1 through G8CT2S2.
- (b) Natural gas-fired space heating equipment, with a maximum heat input capacity of 0.1 MMBtu/hr and exhaust to the atmosphere.
- (c) One (1) diesel-fired emergency fire pump, with a maximum heat input capacity of 1.0 MMBtu/hr and exhausts to the atmosphere.
- (d) One (1) fuel oil storage tank, with a maximum storage capacity of 400,000gallons, a maximum volume of 55,418 ft³ and vents to the atmosphere.

The information describing the source contained in this Section D.1 is descriptive information, and does not constitute federally enforceable conditions.

D.1.1 PSD Minor Limit [326 IAC 2-2] [40 CFR 52.21]

- (a) The potential to emit of NO_x and CO from the sixteen (16) combustion turbines, natural gas heating equipment and one (1) diesel engine shall be limited to less than 250 tons per twelve (12) consecutive months per pollutant, rolled on a monthly basis. Therefore, the Prevention of Significant Deterioration (PSD) rules, 326 IAC 2-2 and 40 CFR 52.21, will not apply. This limit is required to limit the potential to emit of NO_x, CO, SO₂, PM, PM₁₀ and VOC to less than 250 tons per twelve (12) consecutive month period. Compliance with this limit makes 326 IAC 2-2 (Prevention of Significant Deterioration) and 40 CFR 52.21 not applicable.
- (b) The NO_x and CO emissions shall be limited by the following equations:
 - (1) NO_x emissions (tons per year) = Emissions from combustion turbines (tons per year, based on CEMs data) + natural gas usage from heating equipment (MMCF/yr) * appropriate AP-42 emission factor + fuel oil usage from engine (kgals/yr) * appropriate AP-42 emission factor.
 - (2) CO emissions (tons per year) = Emissions from combustion turbines (tons per year, based on CEMs data) + natural gas usage from heating equipment (MMCF/yr) * appropriate AP-42 emission factor + fuel oil usage from engine (kgals/yr) * appropriate AP-42 emission factor.

- (c) The sulfur content of the fuel oil shall not exceed 0.05 percent by weight.

D.1.2 40 CFR Part 60, Subpart GG Applicability (Stationary Gas Turbines)

(a) The sixteen (16) combustion turbines are subject to 40 CFR Part 60, Subpart GG because the heat input at peak load is equal to or greater than 10.7 gigajoules per hour, based on the lower heating value of the fuel fired.

(b) Pursuant to 326 IAC 12-1 and 40 CFR 60, Subpart GG (Stationary Gas Turbines), the Permittee shall:

- (1) limit nitrogen oxides emissions, as required by 40 CFR 60.332, to:

$$\text{STD} = 0.0075 \frac{(14.4)}{Y} + F,$$

where STD = allowable NO_x emissions (percent by volume at 15 percent oxygen on a dry basis).

Y = manufacturer's rated heat rate at manufacturer's rated load (kilojoules per watt hour) or, actual measured heat rate based on lower heating value of fuel as measured at actual peak load for the facility. The value of Y shall not exceed 14.4 kilojoules per watt hour.

F = NO_x emission allowance for fuel-bound nitrogen as defined in paragraph (a)(3) of 40 CFR 60.332.

- (2) limit sulfur dioxide emissions, as required by 40 CFR 60.333, to 0.015 percent by volume at 15 percent oxygen on a dry basis, or use natural gas fuel with a sulfur content less than or equal to 0.8 percent by weight.

D.1.3 326 IAC 2-4.1-1 (New Source Toxics Control)

The formaldehyde emission rate from each stack shall not exceed 0.00203 lb/mmBtu. This emission rate in combination with the emission limitations specified in Condition D.1.1, shall ensure that the single HAPs emissions do not exceed 10 tons per year and the combination HAPs do not exceed 25 tons per year.

- (a) The formaldehyde potential to emit shall be less than ten (10) tons per twelve (12) consecutive month period, rolled on a monthly basis.
- (b) The manganese potential to emit shall be less than ten (10) tons per twelve (12) consecutive month period, rolled on a monthly basis.
- (c) The combination of HAPs shall be less than twenty-five (25) tons per twelve (12) consecutive month period, rolled on a monthly basis.

D.1.4 40 CFR Part 60, Subpart Kb Applicability (Volatile Organic Storage Vessels)

(a) The one (1) fuel oil storage tank is subject to 40 CFR Part 60, Subpart Kb because the maximum capacity is greater than 40 m³ and is used to store volatile organic liquids (including petroleum) for which construction, reconstruction, or modification commenced after July 23, 1984.

- (b) The fuel oil storage tank is exempt from the General Provisions (Part 60, subpart A) and from the provisions of this subpart because the tank has a capacity greater than or equal to 151 m³, storing liquid with a maximum true vapor pressure less than 3.5 kPa.

- (c) Pursuant to 40 CFR Part 60, Subpart Kb, the Permittee shall notify the Administrator and IDEM, OAM, within 30 days when the maximum true vapor pressure of the liquid exceeds the respective maximum true vapor pressure values for each volume range. (Available data on the storage temperature may be used to determine the maximum vapor pressure as determined in 40 CFR Part 60.116b(e)(1)-(3)).

D.1.5 326 IAC 7-1.1-1 (Sulfur Dioxide Emission Limitations)

Pursuant to 326 IAC 7-1.1-2, sulfur dioxide emissions from fuel combustion facilities shall be limited to five-tenths (0.5) pounds per million Btu for distillate oil combustion.

D.1.6 Carbon Monoxide Emission Limitations [326 IAC 9-1]

This source is subject to 326 IAC 9-1 because it is a stationary source of CO emissions commencing operation after March 21, 1972. There are no applicable CO emission limits, under this state rule, established for this type of operation.

Compliance Determination Requirements

D.1.7 Testing Requirements [326 IAC 2-1.1-5][40 CFR Part 60.8][326 IAC 3-5]

- (a) Pursuant to 326 IAC 3-5 the Permittee shall conduct a performance test, not later than one-hundred and eighty (180) days after a facility start-up or monitor installation, on the combustion turbines' exhaust stacks (designated as G1CT1S1 through G8CT2S2) in order to certify the continuous emission monitoring system for NO_x and CO.

- (b) Within sixty (60) days after achieving maximum production rate, but no later than one-hundred and eighty (180) days after initial start-up, the Permittee shall conduct NO_x and SO₂ stack tests for each turbine utilizing methods as approved by the Commissioner. These tests shall be performed in accordance with 40 CFR Part 60.335 and Section C - Performance Testing, in order to document compliance with Conditions D.1.2.

- (c) Within sixty (60) days after initial start-up, but no later than one-hundred and eighty (180) days after initial start-up, the Permittee shall perform formaldehyde stack tests for each turbine (stacks designated as G1CT1S1 through G8CT2S2) utilizing methods as approved by the Commissioner when operating at loads of 50%, 75% and 100%. These tests shall be performed in accordance Section C - Performance Testing, in order to verify the formaldehyde emission rate as specified in Condition D.1.3.

- (d) IDEM may require compliance testing at any specific time when necessary to determine if the source is in compliance. If testing is required by IDEM, compliance with the NO_x and CO limits specified in Condition D.1.1, shall be determined by a performance test conducted in accordance with Section C - Performance Testing.

D.1.8 40 CFR Part 60, Subpart GG Compliance Requirements (Stationary Gas Turbines)

Pursuant to 40 CFR Part 60, Subpart GG (Stationary Gas Turbines), the Permittee shall monitor the nitrogen and sulfur content of the natural gas on a daily basis as follows:

- (a) install a continuous monitoring system to monitor and record the fuel consumption and the ratio of water to fuel being fired in the turbine, as required by 40 CFR 60.334(a);
- (b) On March 24, 2000, the Montpelier Electric Generating Station was issued a custom schedule for Subpart GG by the USEPA, Region V. The custom schedule is as follows:
 - (i) Use of natural gas as the primary fuel for the combustion turbines;
 - (ii) Shall use number 2 fuel oil as a back-up fuel source only. The source shall take a total gallons per year limit on the diesel fuel. The limitation is as follows:

The total input of number 2 fuel oil to each of the sixteen (16) combustion turbines shall be limited to 197.7 kilo-gallons per twelve consecutive month period per turbine, rolled on a monthly basis. This usage limitation is equivalent to 11.76 tons of SO₂ per year and 37.6 tons of NO_x per year; and
 - (iii) Continuously monitor the SO₂ and NO_x per the requirements of 40 CFR Part 75. These requirements include, but are not limited to 40 CFR Parts 75.10, 75.11 and 75.12.

D.1.9 Continuous Emission Monitoring System (CEMS) [326 IAC 3-5]

- (a) Pursuant to 326 IAC 3-5-1(d)(1), the owner or operator of a new source with an emission limitation or permit requirement established under 326 IAC 326 IAC 2-5.1-3 and 2-6.1 shall be required to install a continuous emissions monitoring system or alternative monitoring plan as allowed under the Clean Air Act and 326 IAC 3-5.
- (b) For NO_x and CO, the Permittee shall install, calibrate, certify, operate and maintain a continuous emissions monitoring system for stacks designated as G1CT1S1 through G8CT2S2, in accordance with 326 IAC 3-5-2 and 3-5-3.
 - (1) The continuous emission monitoring system (CEMS) shall measure NO_x and CO emissions rates in pounds per hour. The use of CEMS to measure and record the NO_x and CO hourly emission rates, is sufficient to demonstrate compliance with the annual limits established in the Condition D.1.1.
 - (2) The Permittee shall submit to IDEM, OAM, within ninety (90) days after monitor installation, a complete written continuous monitoring standard operating procedure (SOP), in accordance with the requirements of 326 IAC 3-5-4.
 - (3) The Permittee shall record the output of the system and shall perform the required record keeping, pursuant to 326 IAC 3-5-6, and reporting, pursuant to 326 IAC 3-5-7.
- (c) In instances of downtime, the source shall use EPA's AP-42 emission factors for stationary gas turbines, to demonstrate compliance with the CO emission limit and use the Missing Data Substitution Procedures outlined in 40 CFR Part 75, Subpart D to demonstrate compliance with the NO_x emission limit, both established under Condition D.1.1.
- (d) The source may submit to OAM alternative emission factors based on the source's CEMS data, to use in lieu of the AP-42 emission factors in instances of downtime. The alternative emissions factors must be approved by OAM prior to use in calculating emissions for the

limitations established in this construction permit. The alternative emission factors shall be based upon collected monitoring and test data supplied from an approved continuous emission monitoring system and/or approved performance tests. In the event that the information submitted does not contain sufficient data to establish appropriate emission factors, the source shall continue to collect data until appropriate emission factors can be established. During this period of time, the source shall continue to use AP-42 emission factors for CO and the NOx Missing Data Substitution Procedures specified in 40 CFR Part 75, Subpart D, in periods of downtime.

D.1.10 326 IAC 7-2 [Sulfur Content Compliance]

Pursuant to 326 IAC 7-2-1, the Permittee shall demonstrate that the fuel oil sulfur content does not exceed 0.5 pounds per million Btus by:

- (1) Fuel sampling and analysis data shall be collected pursuant to procedures specified in 326 IAC 3-7-4 for oil combustion, and these data may be used to determine compliance or noncompliance with the emission limitations contained in 326 IAC 7-1.1. Computation of calculated sulfur dioxide emission rates from fuel sampling and analysis data shall be based on AP-42 emission factors, unless other emission factors based on site specific sulfur dioxide measurements are approved by the commissioner and the USEPA. Fuel sampling and analysis data shall be collected as follows:
 - (a) compliance or noncompliance shall be determined by using a calendar month average sulfur dioxide emission rate in pounds per million Btus unless a shorter averaging time or alternate methodology is specified under 326 IAC 7-2. Providing vendor analysis of fuel delivered, if accompanied by a certification; or
 - (b) compliance or noncompliance shall be determined by using a calendar month average sulfur dioxide emission rate in pounds per million Btus unless a shorter averaging time or alternate methodology is specified under 326 IAC 7-2. Analyzing the oil sample to determine the sulfur content of the oil via the procedures in 40 CFR 60, Appendix A, Method 19.
 - (i) Oil samples may be collected from the fuel tank immediately after the fuel tank is filled and before any oil is combusted; and
 - (ii) If a partially empty fuel tank is refilled, a new sample and analysis would be required upon filling
- (2) Compliance or noncompliance with the emission limitation specified in 326 IAC 7-1.1 may be determined by conducting a stack test for sulfur dioxide emissions from the sixteen (16) combustion turbines, using 40 CFR 60, Appendix A, Method 6, 6A, 6C, or 8, in accordance with the procedures in 326 IAC 3-6.
- (3) Upon written notification of a facility owner or operator to the department, continuous emission monitoring data collected and reported pursuant to 326 IAC 3-5 may be used as the means for determining compliance.
- (4) A determination of noncompliance pursuant to either of the methods specified in (1), (2) or (3) above shall not be refuted by evidence of compliance pursuant to the other method.

Record Keeping and Reporting Requirements [326 IAC 2-1-3]

D.1.11 Record Keeping Requirements

- (a) To document compliance with Condition D.1.1 and D.1.3, the Permittee shall maintain records of the following:
- (1) amount of natural gas combusted (in MMCF) and fuel oil (in gallons) per unit (turbine, heating equipment and fire pump engine) during each month;
 - (2) the percent sulfur content of the natural gas (if other than pipeline quality natural gas which is defined as natural gas that is provided by a supplier through a pipeline; 40 CFR Part 72.2) and fuel oil of each unit (turbine and fire pump engine);
 - (3) the emission rates of NO_x and CO in pounds per hour (based on CEMS data); and
 - (4) the Permittee shall maintain records required under 326 IAC 3-5-6 at the source in a manner so that they may be inspected by the IDEM, OAM, or the U.S. EPA., if so requested or required.
- (b) To document compliance with D.1.2, the source shall maintain records of the natural gas analyses, including the sulfur and nitrogen content of the gas, for a period of three (3) years.
- (c) To document compliance with Condition D.1.4, the Permittee shall:
- (1) maintain the records of the volatile organic liquid (VOL) stored;
 - (2) the period of storage;
 - (3) the maximum true vapor pressure of the volatile organic liquid (VOL) during the respective storage period; and
 - (4) shall keep readily accessible records showing the dimension of the storage vessel and an analysis showing the capacity of the storage vessel.
- (d) To document compliance with Condition D.1.5, the Permittee shall maintain records in accordance with (1) through (6) below. Records maintained for (1) through (6) shall be taken monthly and shall be complete and sufficient to establish compliance with the SO₂ emission limit established in Condition D.1.5
- (1) Calendar dates covered in the compliance determination period;
 - (2) Actual fuel oil usage since last compliance determination period and equivalent sulfur dioxide emissions;
 - (3) A certification, signed by the owner or operator, that the records of the fuel supplier certifications represent all of the fuel combusted during the period, the natural gas fired boiler certification does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34); and
- If the fuel supplier certification is used to demonstrate compliance the following, as a minimum, shall be maintained:
- (4) Fuel supplier certifications;

- (5) The name of the fuel supplier; and
 - (6) A statement from the fuel supplier that certifies the sulfur content of the fuel oil.
- (e) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.1.12 Reporting Requirements

- (a) The Permittee shall submit a quarterly excess emissions report, if applicable, based on the continuous emissions monitor (CEM) data for NO_x and CO, pursuant to 326 IAC 3-5-7. These reports shall be submitted within thirty (30) calendar days following the end of each calendar quarter and in accordance with Section C - General Reporting Requirements of this permit.
- (b) A quarterly summary of the information to document compliance with D.1.1, D.1.3 and D.1.8 shall be submitted to the address listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported.
- (c) The Permittee shall report periods of excess emissions, as required by 40 CFR 60.334(c).
- (d) The Permittee shall submit reports of calendar month average sulfur content, heat content, fuel consumption, and sulfur dioxide emission rate in pounds per million Btus upon request based on fuel sampling and analysis data in accordance with procedures specified under 326 IAC 3-3 to document compliance with D.1.5.
- (e) These reports shall be submitted within thirty (30) calendar days following the end of each calendar quarter and shall be in accordance with Section C - General Reporting Requirements of this permit.

Indiana Department of Environmental Management Office of Air Management Compliance Data Section

Quarterly Report

Company Name: Montpelier Electric Generating Station
 Location: 8265 South 450 West, Poneto, Indiana 46781
 Permit No.: 179-12321-00026
 Source: Sixteen (16) combustion turbines, natural gas-fired heating equipment and one (1) diesel-fired engine
 Pollutant: CO
 Limit: Less than 250 tons per twelve (12) consecutive month period

Year: _____

Month	CO Emissions (tons/ month)	Total CO Emissions for previous eleven months (tons/ month)	Total CO Emissions for twelve month period (tons)
-------	----------------------------------	---	---

-	Sixteen (16) turbines	Heating Equipment	One (1) fire- water pump engine	--	--
---	-----------------------------	----------------------	---------------------------------------	----	----

1					
2					
3					

- 9 No deviation occurred in this quarter.
- 9 Deviation/s occurred in this quarter.
 Deviation has been reported on: _____

Submitted by: _____
 Title / Position: _____
 Signature: _____
 Date: _____
 Phone: _____

Indiana Department of Environmental Management Office of Air Management Compliance Data Section

Quarterly Report

Company Name: Montpelier Electric Generating Station
 Location: 8265 South 450 West, Poneto, Indiana 46781
 Permit No.: 179-12321-00026
 Source: Sixteen (16) combustion turbines, natural gas-fired heating equipment and one (1) diesel-fired engine
 Pollutant: NOx
 Limit: Less than 250 tons per twelve (12) consecutive month period

Year: _____

Month	NOx Emissions (tons/ month)	Total NOx Emissions for previous eleven months (tons/ month)	Total NOx Emissions for twelve month period (tons)

-	Sixteen (16) turbines	Heating Equipment	One (1) fire-water pump engine	-	--
1					
2					
3					

9 No deviation occurred in this quarter.

9 Deviation/s occurred in this quarter.
 Deviation has been reported on: _____

Submitted by: _____

Title / Position: _____

Signature: _____

Date: _____

Phone: _____

Month/ Turbine	Fuel Oil Usage (gallons/month)				Fuel Oil Usage for previous month(s) (gallons)				Fuel Oil Usage for twelve month period (gallons)			
	9	10	11	12	9	10	11	12	9	10	11	12

Month/ Turbine	Fuel Oil Usage (gallons/month)				Fuel Oil Usage for previous month(s) (gallons)				Fuel Oil Usage for twelve month period (gallons)			
	13	14	15	16	13	14	15	16	13	14	15	16

9 No deviation occurred in this quarter.

9 Deviation/s occurred in this quarter.
 Deviation has been reported on: _____

Submitted by: _____

Title / Position: _____

Signature: _____

Date: _____

Phone: _____

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR MANAGEMENT
COMPLIANCE DATA SECTION**

**MINOR SOURCE OPERATING PERMIT
ANNUAL NOTIFICATION**

This form should be used to comply with the notification requirements under 326 IAC 2-6.1-5(a)(5).

Company Name:	Montpelier Electric Generating Station
Address:	8265 South 450 West
City:	Poneto, Indiana 46781
Phone #:	(937) 865-6233
MSOP #:	179-12321-00026

I hereby certify that **Montpelier Electric Generating Station** is still in operation.
 no longer in operation.

I hereby certify that **Montpelier Electric Generating Station** is in compliance with the requirements of MSOP **179-12321-00026**.
 not in compliance with the requirements of MSOP **179-12321-00026**.

Authorized Individual (typed):
Title:
Signature:
Date:

If there are any conditions or requirements for which the source is not in compliance, provide a narrative description of how the source did or will achieve compliance and the date compliance was, or will be achieved.

Noncompliance:

MALFUNCTION REPORT

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR MANAGEMENT
FAX NUMBER - 317 233-5967**

**This form should only be used to report malfunctions applicable to Rule 326 IAC 1-6
and to qualify for the exemption under 326 IAC 1-6-4.**

THIS FACILITY MEETS THE APPLICABILITY REQUIREMENTS BECAUSE IT HAS POTENTIAL TO EMIT 25 TONS/YEAR PARTICULATE MATTER ?____, 25 TONS/YEAR SULFUR DIOXIDE ?____, 25 TONS/YEAR NITROGEN OXIDES?____, 25 TONS/YEAR VOC ?____, 25 TONS/YEAR HYDROGEN SULFIDE ?____, 25 TONS/YEAR TOTAL REDUCED SULFUR ?____, 25 TONS/YEAR REDUCED SULFUR COMPOUNDS ?____, 25 TONS/YEAR FLUORIDES ?____, 100TONS/YEAR CARBON MONOXIDE ?____, 10 TONS/YEAR ANY SINGLE HAZARDOUS AIR POLLUTANT ?____, 25 TONS/YEAR ANY COMBINATION HAZARDOUS AIR POLLUTANT ?____, 1 TON/YEAR LEAD OR LEAD COMPOUNDS MEASURED AS ELEMENTAL LEAD ?____, OR IS A SOURCE LISTED UNDER 326 IAC 2-5.1-3(2) ?____. EMISSIONS FROM MALFUNCTIONING CONTROL EQUIPMENT OR PROCESS EQUIPMENT CAUSED EMISSIONS IN EXCESS OF APPLICABLE LIMITATION _____.

THIS MALFUNCTION RESULTED IN A VIOLATION OF: 326 IAC _____ OR, PERMIT CONDITION # _____ AND/OR PERMIT LIMIT OF _____

THIS INCIDENT MEETS THE DEFINITION OF 'MALFUNCTION' AS LISTED ON REVERSE SIDE ? Y N

THIS MALFUNCTION IS OR WILL BE LONGER THAN THE ONE (1) HOUR REPORTING REQUIREMENT ? Y N

COMPANY: Montpelier Electric Generating Station _PHONE NO. (937) 865-6233
LOCATION: (CITY AND COUNTY): Poneto/Wells
PERMIT NO. 179-12321 AFS PLANT ID: 179-00026 AFS POINT ID: _____ INSP: _____
CONTROL/PROCESS DEVICE WHICH MALFUNCTIONED AND REASON: _____

DATE/TIME MALFUNCTION STARTED: ____/____/2000 _____ AM / PM

ESTIMATED HOURS OF OPERATION WITH MALFUNCTION CONDITION: _____

DATE/TIME CONTROL EQUIPMENT BACK-IN SERVICE ____/____/20____ _____ AM/PM

TYPE OF POLLUTANTS EMITTED: TSP, PM-10, SO2, VOC, OTHER: _____

ESTIMATED AMOUNT OF POLLUTANT EMITTED DURING MALFUNCTION: _____

MEASURES TAKEN TO MINIMIZE EMISSIONS: _____

REASONS WHY FACILITY CANNOT BE SHUTDOWN DURING REPAIRS:

CONTINUED OPERATION REQUIRED TO PROVIDE ESSENTIAL* SERVICES: _____

CONTINUED OPERATION NECESSARY TO PREVENT INJURY TO PERSONS: _____

CONTINUED OPERATION NECESSARY TO PREVENT SEVERE DAMAGE TO EQUIPMENT: _____

INTERIM CONTROL MEASURES: (IF APPLICABLE) _____

MALFUNCTION REPORTED BY: _____ TITLE: _____
(SIGNATURE IF FAXED)

MALFUNCTION RECORDED BY: _____ DATE: _____ TIME: _____

*SEE PAGE 2

PAGE 1 OF 2

Please note - This form should only be used to report malfunctions applicable to Rule 326 IAC 1-6 and to qualify for the exemption under 326 IAC 1-6-4.

326 IAC 1-6-1 Applicability of rule

Sec. 1. This rule applies to the owner or operator of any facility required to obtain a permit under 326 IAC 2-5.1 or 326 IAC 2-6.1.

326 IAC 1-2-39 "Malfunction" definition

Sec. 39. Any sudden, unavoidable failure of any air pollution control equipment, process, or combustion or process equipment to operate in a normal and usual manner.

***Essential services** are determined on a case by case basis by the Indiana Department of Environmental Management. Continued operation solely for the economic benefit of the owner or operator shall not be sufficient reason why a facility cannot be shutdown during a control equipment shutdown.

If this item is checked on the front, please explain rationale:

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Indiana Department of Environmental Management Office of Air Management

Technical Support Document (TSD) for a Minor Permit Revision to a Minor Source Operating Permit

Source Background and Description

Source Name:	Montpelier Electric Generating Station
Source Location:	8265 South 450 West, Poneto, IN 46781
County:	Wells
SIC Code:	4911
Operation Permit No.:	MSOP 179-12321-00026
Operation Permit Issuance Date:	December 29, 2000
Minor Permit Revision No.:	179-15577-00026
Permit Reviewer:	NH/EVP

The Office of Air Management (OAM) has reviewed a revision application from Montpelier Electric Generating Station relating to the operation of an electric generating station.

History

On February 7, 2002, Montpelier Electric Generating Station submitted an application to the OAQ requesting that the emission factor used to determine formaldehyde emissions be changed from 7.140E-04 lbs/MMBtu (emission factor obtained from AP-42 Table 3.1-3, April 2000 edition and utilized to determine formaldehyde emissions in MSOP 179-12321-00026) to 2.03E-03 lbs/MMBtu (obtained during actual performance testing of the unit required by MSOP 179-12321-00026). Montpelier Electric Generating Station was issued a Minor Source Operating Permit (179-12321-00026) on December 29, 2000.

New Emission Units and Pollution Control Equipment

There are no new units being added due to this revision.

Existing Approvals

The source applied for a Part 70 Operating Permit (T179-15228-00026) on January 22, 2002. The source has been operating under previous approvals including, but not limited to, the following:

- (a) Minor Source Operating Permit 179-12321-00026, issued on December 29, 2000; and
- (b) Acid Rain Permit 179-11651-00026, issued on January 29, 2001.

Enforcement Issue

There are no enforcement actions pending.

Recommendation

The staff recommends to the Commissioner that the Minor Permit Revision be approved. This recommendation is based on the following facts and conditions:

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

An application for the purposes of this review was received on February 7, 2002.

Emission Calculations

See Appendix A of this document for detailed emissions calculations (Appendix A, page 1).

Unrestricted Potential To Emit

Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as “the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or type or amount of material combusted, stored, or processed shall be treated as part of its design if the limitation is enforceable by the U. S. EPA.”

HAP's	Potential To Emit (tons/year)
Formaldehyde	38.54*

* Based on the emission factor of 2.03E-3 lbs/MMBtu (based on actual performance tests performed on June 18 - 21, 2001) the unrestricted PTE of formaldehyde is 38.539. Based on the emission factor of 7.14E-4 lbs/MMBtu (used in MSOP 179-12321-00026, issued on December 29, 2000) the unrestricted PTE of formaldehyde is 13.555 tons/year. Thus, there is an increase of 24.98 tons/year.

- (a) The potential to emit (as defined in 326 IAC 2-1.1-1(16)) of any single HAP is equal to or greater than ten (10) tons per year and the potential to emit (as defined in 326 IAC 2-7-1(29)) of a combination HAPs is greater than or equal to twenty-five (25) tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.

Limited Potential to Emit

The table below summarizes the total potential to emit, reflecting all limits, of the significant emission units.

Process/facility	Limited Potential to Emit (tons/year)							
	PM	PM-10	SO ₂	VOC	CO	NO _x	Formaldehyde	Manganese
Existing MSOP source	7.16	6.97	11.83	14.57	249.6	103.2	0.656 1.87*	0.171
Total Emissions	7.16	6.97	11.83	14.57	249.6	103.2	1.87	0.171
PSD Threshold Level	250	250	250	250	250	250	N/A	N/A

*** Detailed Calculations**

Using the emission factor of 7.14E-4 lbs/MMBtu (used in MSOP 179-12321-00026, issued 12-29-2000)

Uncontrolled Emissions

Formaldehyde = 7.14E-4 lbs/MMBtu x 4334.4 MMBtu/hr x 8760 hr/yr / 2000 lb/ton = 13.555 tons/yr

Limited Emissions

Formaldehyde = 7.14E-4 lbs/MMBtu x 4334.4 MMBtu/hr x 426 hr/yr / 2000 lb/ton = 0.65 tons/yr

Using the emission factor of 2.03E-3 lbs/MMBtu (based on actual performance tests performed on June 18 - 21, 2001)

Uncontrolled Emissions

Formaldehyde = 2.03E-3 lbs/MMBtu x 4334.4 MMBtu/hr x 8760 hr/yr / 2000 lb/ton = 38.54 tons/yr

Limited Emissions

Formaldehyde = 2.03E-3 lbs/MMBtu x 4334.4 MMBtu/hr x 426 hr/yr / 2000 lb/ton = 1.87 tons/yr

Justification for Modification

This MSOP source is being modified through a MSOP Minor Permit Revision. This modification is being performed pursuant to 326 IAC 2-6.1-6(g)(5) which states:

“Modifications for which the potential to emit is limited to less than twenty-five (25) tons per year of any regulated pollutant other than hazardous air pollutants, ten (10) tons per year of any single hazardous air pollutant as defined under Section 112(b) of the CAA, or twenty-five (25) tons per year of any combination of hazardous air pollutants by complying with one (1) of the following constraints:

- (B) Limiting annual hours of operation of the process or business.”

Formaldehyde is a hazardous air pollutant and the source is limiting potential emissions to less than ten (10) tons per year by limiting their annual hours of operation.

County Attainment Status

The source is located in Wells County.

Pollutant	Status
PM-10	attainment
SO ₂	attainment
NO ₂	attainment
Ozone	attainment
CO	attainment
Lead	attainment

- (a) Volatile organic compounds (VOC) and oxides of nitrogen (NO_x) are precursors for the formation of ozone. Therefore, VOC and NO_x emissions are considered when evaluating the rule applicability relating to the ozone standards. Wells County has been designated as attainment or unclassifiable for ozone.

Federal Rule Applicability

There are no new units being added due to this revision thus no federal rules are applicable.

State Rule Applicability

326 IAC 2-4-1.1 (New Source Toxics Control):

The source is still not subject to this rule, because:

- (a) The formaldehyde potential to emit shall be less than ten (10) tons per twelve (12) consecutive month period, rolled on a monthly basis.
- (b) The combination of HAPs shall be less than twenty-five (25) tons per twelve (12) consecutive month period, rolled on a monthly basis.

Therefore, the requirements of 326 IAC 2-4.1-1 (New Source Toxics Control) do not apply. Since NOx and CO are the limiting pollutants of this source, the NOx and CO limits established in the permit are sufficient to demonstrate compliance with the formaldehyde and the combination of HAPs limits established above.

Compliance Requirements

Permits issued under 326 IAC 2-7 are required to ensure that sources can demonstrate compliance with applicable state and federal rules on a more or less continuous basis. All state and federal rules contain compliance provisions, however, these provisions do not always fulfill the requirement for a more or less continuous demonstration. When this occurs IDEM, OAM, in conjunction with the source, must develop specific conditions to satisfy 326 IAC 2-7-5. As a result, compliance requirements are divided into two sections: Compliance Determination Requirements and Compliance Monitoring Requirements.

Compliance Determination Requirements in Section D of the permit are those conditions that are found more or less directly within state and federal rules and the violation of which serves as grounds for enforcement action. If these conditions are not sufficient to demonstrate continuous compliance, they will be supplemented with Compliance Monitoring Requirements, also Section D of the permit. Unlike Compliance Determination Requirements, failure to meet Compliance Monitoring conditions would serve as a trigger for corrective actions and not grounds for enforcement action. However, a violation in relation to a compliance monitoring condition will arise through a source's failure to take the appropriate corrective actions within a specific time period.

There are no new units being added due to this revision thus no compliance requirements are applicable.

Changes Proposed

- 1) Condition D.1.3 is being revised to list the new formaldehyde emission factor.

D.1.3 326 IAC 2-4.1-1 (New Source Toxics Control)

The formaldehyde emission rate from each stack shall not exceed ~~0.000714~~ **0.00203** lb/mmBtu. This emission rate in combination with the emission limitations specified in Condition D.1.1, shall ensure that the single HAPs emissions do not exceed 10 tons per year and the combination HAPs do not exceed 25 tons per year.

- (a) The formaldehyde potential to emit shall be less than ten (10) tons per twelve (12) consecutive month period, rolled on a monthly basis.
- (b) The manganese potential to emit shall be less than ten (10) tons per twelve (12) consecutive month period, rolled on a monthly basis.

- (c) The combination of HAPs shall be less than twenty-five (25) tons per twelve (12) consecutive month period, rolled on a monthly basis.

Conclusion

The operation of this electric generating station shall be subject to the conditions of the attached proposed **Minor Permit Revision to a Minor Source Operating Permit No. 179-15577-00026**.

Appendix A: Emissions Calculations HAPs Emissions for natural gas-fired turbines

Company Name: Montpelier Electric Generating Station
Address, City IN Zip: 8265 South 450 West, Poneto, IN 46781
MSOP Minor Permit Revision: 179-15577
Plt ID: 179-00026
Reviewer: NH/EVP

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Heat Input Capacity: Sixteen (16) combustion turbines @ 270.9 mmBtu/hr each
4334.4 MMBtu/hr

Pollutant	Emission Factor ** (lbs/MMBtu)	Total Emissions (tons/yr)	Emissions Per Turbine (tons/yr)	Total Limited Emissions (tons/yr)	Limited Emissions Per Turbine (tons/yr)
Formaldehyde	2.03E-03	38.539	2.409	1.8742	0.117

Methodology

** Emission Factor is from actual performance test performed by the source on June 18 - 21, 2001.

Emissions (tons/yr) = Heat input rate (MMBtu/hr) x Emission Factor (lb/MMBtu) * 8760 hr/yr / 2,000 lb/ton

Limited HAP Emissions (tons/yr) = Heat input rate (MMBtu/hr) x Emission Factor (lb/MMBtu) * 426 hr/yr / 2,000 lb/ton